

## RESOLUTION NO. 10-01

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$250,000,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK REVENUE BONDS (UCSF NEUROSCIENCES BUILDING 19A), SERIES 2010 TO PROVIDE FINANCIAL ASSISTANCE FOR THE DEVELOPMENT OF CERTAIN ECONOMIC DEVELOPMENT FACILITIES, PROVIDING THE TERMS AND CONDITIONS OF THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO, AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED

WHEREAS, the California Infrastructure and Economic Development Bank (the "Bank") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the "Act"), for the purpose of promoting economic development; and

WHEREAS, the Bank is authorized to issue tax-exempt and taxable revenue bonds to provide financing for economic development facilities (as such term is defined in the Act) located in the State of California (the "State"); and

WHEREAS, Campus Facilities Improvement Association, a California non-profit public benefit corporation (the "Borrower"), has submitted an application to the Bank for assistance in financing (i) a portion of the costs of the designing, permitting, entitling, acquiring, constructing and developing of the UCSF Neurosciences Building 19A, a five-story, approximately 235,000 square feet, wet laboratory and clinical research building, located on the Mission Bay Campus of the University of California, San Francisco ("UCSF"), at the southeast corner of Nelson Rising Lane and Fifth Street, San Francisco, California (the "Project"), and (ii) a deposit to the capitalized interest fund with respect to the Bonds; and

WHEREAS, the Borrower has represented that it will enter into an agreement with Edgemoor/McCarthy Cook Partners, LLC, a California limited liability company ("Developer") requiring the Developer to construct facilities to be leased to The Regents of the University of California (the "Regents") for research related to diagnosing and treating diseases of the brain for the UCSF Neuroscience Department, which operation is consistent with the definition of an economic development facility in the Act; and

WHEREAS, the Regents will agree, pursuant to terms of one or more tax agreements among the Borrower, the Bank and the Regents, to use the facilities for research related to diagnosing and treating diseases of the brain for the UCSF Neuroscience Department; and

WHEREAS, for these purposes, the Borrower has requested the Bank to (a) authorize the issuance of obligations in an aggregate principal amount not to exceed \$250,000,000 entitled

California Infrastructure and Economic Development Bank Revenue Bonds (UCSF Neurosciences Building 19A), Series 2010 (the "Bonds") in one or more series, (b) provide for the sale of the Bonds, (c) provide for the loan of proceeds of the sale of the Bonds to the Borrower to finance and refinance the costs of the Project, (d) provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the Borrower's repayment of that loan, and (e) take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Borrower has represented that Bonds will be rated at least "A3" from Moody's Investors Service, or "A-" from Standard & Poor's or Fitch Ratings due to an unconditional obligation of the Regents to make base rental payments to the Developer, which will irrevocably assign its rights to receive such base rental payments to The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the "Trustee"), for the payment of the Bonds and which base rental payments shall also be credited against the obligation of the Developer to pay base rent to the Borrower pursuant to a ground sublease between the Borrower, as landlord, and the Developer, as tenant;

WHEREAS, the Bank may not issue the Bonds to assist in financing and refinancing the Project until the Board of Directors of the Bank makes certain determinations relating to the Project as required by the Act; and

WHEREAS, there are now on file with the Secretary of the Bank the following documents:

(a) a proposed form of a loan agreement to be entered into by and between the Bank and the Borrower providing for the loan of the proceeds of the Bonds to the Borrower;

(b) a proposed form of an indenture to be entered into between the Bank and the Trustee, providing for the authorization and issuance of the Bonds;

(c) proposed forms of bond purchase agreements to be entered into by and among the Bank, the Treasurer of the State of California, the Borrower and Barclays Capital Inc. (the "Underwriter"), and approved by the Regents, each providing for the sale of a series of Bonds;

(d) a proposed form of official statement to be used by the Underwriter in connection with the sale of the Bonds; and

(e) two proposed forms of tax agreements, among the Bank, the Regents and the Borrower, concerning the tax requirements for each series of Bonds, respectively.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. Pursuant to Sections 63046 and 63047 of the Act, and based upon the representations of the Borrower, the Board of Directors of the Bank hereby finds and determines as follows:

- a. The project is located in the State.
- b. The Borrower is capable of meeting its payment obligations under the loan agreement as approved by this resolution, which finding is based in particular on the unconditional obligation of the Regents to make base rental payments to the Developer in an amount equal to the scheduled principal and interest payments on the Bonds and which shall be absolutely assigned to the Trustee and applied to pay the Bonds and which shall also satisfy the obligation of the Developer to pay an equal amount of base rent to the Borrower.
- c. The payments to be made by the Borrower to the Bank under the loan agreement approved herein are adequate to pay the current expenses of the Bank in connection with the financing and to make all the payments on the Bonds.
- d. The proposed financing is appropriate for the Project.
- e. The Project is consistent with any existing local or regional comprehensive plan.
- f. The Project demonstrates clear evidence of a defined public benefit.

Section 3. Based on the information provided and representations made by the Borrower, the Board hereby finds and determines that the Project demonstrates clear evidence of a defined public benefit in that (i) economic benefits will be derived from the generation of economic activity in connection with the construction and operation of the facilities, including the creation of temporary jobs during the construction phase and permanent jobs during the operation of the facilities, (ii) educational benefits will be derived from the advancement of biomedical research and graduate-level education in the life sciences and health professions, and (iii) environmental benefits will be derived from the construction and operation of the facilities in compliance with The Regents' Policy on Sustainable Practices and the targeted Silver Rating from the U.S. Green Building Council LEED for New Construction.

Section 4. The Bank authorizes and approves the loan of the proceeds of the Bonds to the Borrower in order to finance or refinance costs of the Project pursuant to the terms and provisions of a loan agreement as approved by this resolution. The proposed form of Loan Agreement relating to the Bonds between the Bank and the Borrower on file with the Secretary of the Board (the "Secretary"), is hereby approved, and the Executive Director of the Bank (the "Executive Director"), the Chair of the Board, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver the Loan Agreement to the Borrower, in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Loan Agreement"). The Secretary is authorized to attest to the execution of the Loan Agreement.

Section 5. The proposed form of Indenture relating to the Bonds between the Bank and the Trustee, on file with the Secretary, is hereby approved, and the Executive Director, the Chair of the Board, or the Chair's designee, and each of them, acting alone, is hereby authorized

and directed, for and on behalf and in the name of the Bank, to execute, acknowledge and deliver the Indenture to the Trustee, in substantially the form presented to this meeting, with such insertions and changes therein (including without limitation the particular designation for each series of Bonds issued under the Indenture) as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof (as so approved, the "Indenture"). The Secretary is authorized to attest to the execution of the Indenture.

Section 6. The proposed forms of Bond Purchase Agreement (the "Bond Purchase Agreements") for each series of Bonds, among the Bank, the Treasurer, the Underwriter, the Regents and the Borrower, on file with the Secretary, is hereby approved, and the Executive Director, the Chair of the Board, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and deliver to the Underwriter and the Treasurer the Bond Purchase Agreements in substantially the forms presented to this meeting, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Treasurer of the State of California, as agent for sale of the Bank's bonds, is hereby requested to sell the Bonds at negotiated sale, at such prices and at such initial interest rates as he may determine in accordance with the Indenture. Notwithstanding Section 63074(d) of the Act to the contrary, such sale may take place at any time within one hundred eighty (180) days of the adoption of this resolution or at such later date not later than the date three hundred sixty (360) days of the adoption of this resolution as approved by the Executive Director.

Section 7. The proposed preliminary form of Official Statement on file with the Secretary is hereby approved, and the Executive Director, the Chair of the Bank, or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute a certificate or certificates in a form or forms which, with the advice of the Bank's counsel, is or are acceptable to the officer or official executing the same, to the effect that the portions of the official statement in either its preliminary or final form under the caption "THE INFRASTRUCTURE BANK" and "NO LITIGATION – The Infrastructure Bank" are "deemed final" as of their respective dates and to execute and deliver the official statement in substantially said form, with such insertions and changes therein as may be necessary or appropriate to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby authorized to distribute copies of the official statement in preliminary form to the prospective purchasers of the Bonds and the official statement in final form in connection with the sale of the Bonds.

Section 8. The proposed forms of tax agreements on file with the Secretary are hereby approved and the Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute and deliver to the Borrower and counsel to the Bank tax agreements in substantially said

forms, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this resolution and as the officer or official executing the same, with the advice of the Bank's counsel, may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof.

Section 9. The Bank approves the issuance, on a taxable or tax-exempt basis, in one or more than one series, of revenue obligations generally designated as the "California Infrastructure and Economic Development Bank Revenue Bonds (UCSF Neurosciences Building 19A), Series 2010" (the particular designation for each series of Bonds to be approved by the officer or official of the Bank executing and delivering the Indenture in accordance with Section 5 of this resolution), in an aggregate principal amount not to exceed \$250,000,000, in accordance with the terms of and to be secured by the Indenture. The Executive Director, the Chair of the Board, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to determine the aggregate principal amount of Bonds designated as tax-exempt Bonds, if any, and the aggregate principal amount of Bonds designated as taxable "Build America Bonds" pursuant to the American Recovery and Reinvestment Act of 2009, if any, which may be all or a portion of the aggregate principal amount of the Bonds. This determination shall be based on a written request of the Regents setting forth the amount of Bonds to be issued as tax-exempt Bonds, if any, or as taxable "Build America Bonds", if any, which may be all or a portion of the aggregate principal amount of the Bonds, and stating that such amounts are, in the judgment of the representative of the Regents signing such written request, the most cost-effective method for financing the costs of the Project. This determination may be evidenced by an irrevocable election to issue all or a portion of the Bonds as taxable "Build America Bonds", as set forth in the tax agreements approved in Section 8 of this resolution.

Section 10. Payment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Bank pursuant to the Loan Agreement and the Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the State of California or of the Bank except, as to the Bank to the limited extent provided in the Indenture. Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of, or interest on, the Bonds. The Bonds shall be dated the date of their issuance and shall be paid in lawful money of the United States at the time or times and place or places provided in the Indenture. The Bonds shall be in the form and the denominations as provided in the Indenture, mature on the date or dates provided in the Indenture which shall be not later than forty-three (43) years from the date of issuance thereof, be subject to redemption as provided in the Indenture, shall carry the registration privileges provided in the Indenture and shall bear interest at a fixed rate to be determined in accordance with the Indenture, which rate shall not to exceed the lesser of 12% per annum or the maximum rate of interest on the Bonds permitted by the laws of the State.

Section 11. The Executive Director and the Chair of the Board, or the Chair's designee, and each of them, acting alone, is hereby authorized and directed, for and in the name and on behalf of the Bank, to execute (by manual or facsimile signature) the Bonds in an aggregate principal amount not to exceed the amount authorized hereunder in accordance with the Indenture and in the form set forth in the Indenture.

Section 12. The Bonds, when executed as provided in this resolution, shall be delivered to the Trustee for authentication by the Trustee pursuant to the Indenture. The Trustee is hereby requested and directed to authenticate the Bonds by executing the Trustee's certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Bonds, when duly executed and authenticated, to The Depository Trust Company, New York, New York (the "Depository"), on behalf of the purchasers thereof in accordance with written instructions executed on behalf of the Bank by the Executive Director, the Chair of the Board, or the Chair's designee, which instructions each signatory, acting singly, is hereby authorized and directed, for and on behalf and in the name of the Bank, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Depository, on behalf of the purchasers thereof, upon payment of the purchase price therefor.

Section 13. The Executive Director, the Chair of the Board or the Chair's designee, each acting alone, is hereby authorized to execute and deliver any and all certificates and instruments (including without limitation letters of representations and certifications of authority and tax forms required by the Internal Revenue Service in connection with the issuance of the Bonds and the receipt during the term of the Bonds of direct subsidy payments from the federal government relating to a portion of the interest on the taxable "Build America Bonds," if any) which they or counsel to the Bank may deem necessary or advisable to consummate the issuance, sale and delivery of the Bonds and subsequent receipt of direct interest subsidy payments related to any taxable "Build America Bonds," and otherwise to effectuate the purpose of this resolution.

Section 14. All actions heretofore taken by the officers and employees of the Bank with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified. The officers of the Bank and their authorized designees, deputies, agents and counsel are hereby authorized and directed, jointly and severally, to do any and all things, perform their duties and to execute and deliver any and all certificates which they or counsel to the Bank may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this resolution.

Section 15. This resolution shall take effect immediately upon its passage.

PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on January 26, 2010 by the following vote:

AYES: BRYANT, LUJANO, BERTE, SHEEHY, RICE

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE



Stanton C. Hazelroth, Executive Director

Attest:



Roma Cristia-Plant, Secretary